

SEP 24 '12 -11 55 AM

MASLON

SURFACE TRANSPORTATION BOARD

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40 SOUTH SEVENTH STREET
MINNEAPOLIS, MN 55402-4140

September 20, 2012

Mark A. Klos

Direct Phone: (612) 672-8346

Direct Fax: (612) 642-8346

mark.klos@maslon.com

VIA OVERNIGHT MAIL

Ms. Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, D.C. 20423-0001

SEP 24 2012

Dear Ms. Brown:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 1177.3 are an original Memorandum of Security Agreement dated as of October 27, 2011 and a certified true copy of the Memorandum of Security Agreement dated as of October 27, 2011, which includes a list of additional collateral to be recorded *as a secondary document to the original Memorandum of Security Agreement dated June 1, 2006 and filed as STB Recordation Number 26622.*

The names and addresses of the parties to the enclosed document are:

Secured Party:	BNC National Bank 322 East Main Bismarck, ND 58501
Debtor:	Dakota Missouri Valley & Western Railroad, Inc. 1131 S. 22 nd Street Bismarck, ND 58504

A description of the railroad equipment covered by the enclosed document is:

Twenty-four (24) locomotives marked DMVW taken as additional collateral. See the attached *Exhibit A* for specific car numbers.

A short summary of the document to appear in the index is:

Memorandum of Security Agreement – Amending the Collateral Description.

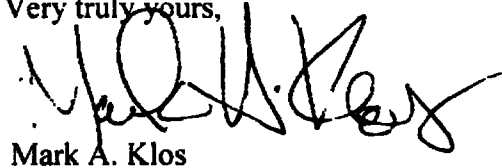
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Please also find enclosed a check in the amount of \$42.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Please return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Mark A. Klos', written over the printed name.

Mark A. Klos

MAK/vld
Enclosures

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MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT is made and entered into as October __, 2011, by and between **DAKOTA, MISSOURI VALLEY AND WESTERN RAILROAD, INC.**, a North Dakota corporation, as debtor (herein called the "**Debtor**") and **BNC NATIONAL BANK** (herein, with its participants, successors and assigns, called the "**Lender**"), as secured party.

The Debtor has requested the Lender to make loans to the Debtor pursuant to that certain Loan Agreement by and between the Debtor and Lender dated June 1, 2006, as amended (the "**Loan Agreement**").

As consideration for the loans which have been or will be made to the Debtor pursuant to the Loan Agreement, the Debtor has executed that certain Security Agreement in favor of the Lender, dated June 1, 2006, and amended as of the date hereof to add additional Collateral (as so amended, the "**Security Agreement**"), and granted to the Lender a security interest in, among other things, all of the following properties, assets and rights of the Debtor, wherever located, whether now owned or hereafter acquired and (i) all accessions, additions and improvements to, replacements of and substitutions for any of the following; (ii) all products and proceeds thereof; and (iii) all books, records and data, in any form, relating to the railway rolling stock consisting primarily of the additional locomotives and/or rail cars described on *Exhibit A* attached hereto (the "**Collateral**").

As contemplated by the Security Agreement, the Lender and the Debtor hereby make this Memorandum of Security Agreement to confirm and perfect the Lender's security interest in the Collateral. The Lender and the Debtor further acknowledge and confirm that this Memorandum of Security Agreement is not a summary of the Security Agreement, nor a complete recitation of the terms and provisions thereof. According, the Lender and the Debtor agree that in the event of a conflict between this Memorandum of Security Agreement and the provisions of the Security Agreement, the provisions of the Security Agreement shall control.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Memorandum of Security Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first above written.

LENDER:

BNC NATIONAL BANK

By: [Signature]
Name: Chad Scott
Title: Senior Vice President

DEBTOR:

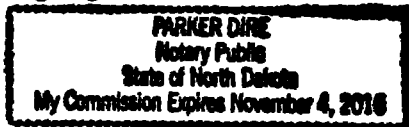
**DAKOTA, MISSOURI VALLEY & WESTERN
RAILROAD, INC., a North Dakota Corporation**

By: [Signature]
Name: Larry Wood
Title: President

By: [Signature]
Name: Derrick Bosch
Title: Chief Financial Officer

STATE OF North Dakota)
) ss.
COUNTY OF _____)

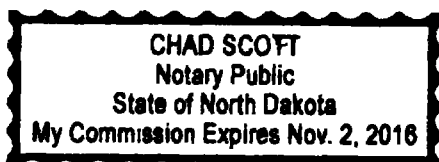
On this 27 day of October, 2011, before me, personally appeared Chad Scott, to me personally known, who being by me duly sworn, says that he is the Senior Vice President of BNC National Bank, that said instrument was signed on behalf of said banking corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Signature]
Notary Public

STATE OF North Dakota)
) ss.
COUNTY OF _____)

On this 27 day of October, 2011, before me, personally appeared Larry Wood and Derrick Bosch, to me personally known, who being by me duly sworn, say that they are the President and Chief Financial Officer respectively, of Dakota, Missouri Valley & Western Railroad, Inc., a North Dakota corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors and that the execution of the foregoing instrument was the free act and deed of said corporation.



[Signature]
Notary Public

Exhibit A

Amended Collateral Description

Item	Year	Model/Description	DMVW Road Number
1.	1964	EMD Model GP-35 1750 HP Diesel Electric Locomotive	DMVW 324
2.	1965	EMD Model GP-35 2500 HP Diesel Electric Locomotive	DMVW 862
3.	1963	Model GP20 Locomotive	DMVW 2049
4.	1963	Model GP20 Locomotive	DMVW 3043
5.	1971	Model GP-40 Locomotive	DMVW 9406
6.	1976	Model GP-40 Locomotive	DMVW 9413
7.	1976	Model GP-40 Locomotive	DMVW 9442
8.	1976	Model GP-40-2 Locomotive	DMVW 9485
9.	1974	Model GP-40 Locomotive	DMVW 9504
10.	1975	Model GP-40 Locomotive	DMVW 9603
11.	1976	Model GP-40 Locomotive	DMVW 9658
12.	1969	EMD SD 45 Diesel Electric Locomotive	DMVW 7505
13.	1969	EMD SD 45 Diesel Electric Locomotive	DMVW 7510
14.	1969	EMD SD 45 Diesel Electric Locomotive	DMVW 7517
15.	1983	EMD SD 50F Locomotive	DMVW 5404
16.	1983	EMD SD 50F Locomotive	DMVW 5408
17.	1983	EMD SD 50F Locomotive	DMVW 5439
18.	1983	EMD SD 50F Locomotive	DMVW 5451
19.	1983	EMD SD 50F Locomotive	DMVW 5454
20.		EMD SD40-3 Locomotive	DMVW 3145
21.		EMD SD40-3 Locomotive	DMVW 3132
22.		EMD SD40-3 Locomotive	DMVW 3136
23.		EMD SD40-3 Locomotive	DMVW 3149
24.		EMD SD40-3 Locomotive	DMVW 3134



THIRD AMENDMENT TO SECURITY AGREEMENT

DAKOTA, MISSOURI VALLEY, & WESTERN RAILROAD, INC., a North Dakota corporation ("**Borrower**"), and **BNC NATIONAL BANK**, a national banking association (the "**Bank**") previously entered into that certain Security Agreement dated as of June, 1, 2006, (the "**Security Agreement**"). Except as expressly modified herein, the terms and conditions of the Security Agreement shall remain in full force and effect. All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Security Agreement.

AMENDMENTS

1. **Rolling Stock/Equipment Collateral.** The defined term "Equipment" set forth in Section 1.01 of the Security Agreement is hereby deleted in its entirety and replaced with the following:

EQUIPMENT: All equipment of Debtor, whether now owned or hereafter acquired, including all present and future machinery, vehicles, furniture, fixtures, manufacturing equipment, shop equipment, office and recordkeeping equipment, parts, tools, supplies, all railroad rails, railroad ties, ballasts, track materials, frogs, plates, gates, signals, switches, poles, and communication wires, and all other goods (except inventory) used or bought for use by Debtor for any business or enterprise and including specifically (without limitation), the railway rolling stock consisting primarily of twenty-four (24) locomotives described with greater particularity on *Exhibit A* attached hereto (the "**Rolling Stock**"), and incorporated by reference herein, and any goods described in any equipment schedule or list herewith or hereafter furnished to the Lender by Debtor, all accessions thereto, all substitutions and replacements thereof, and all like or similar property now owned or hereafter acquired by Debtor.

In addition, *Exhibit A* to the Security Agreement is hereby restated and replaced with *Exhibit A* attached hereto.

2. **Legal Expenses.** Borrower shall pay and will reimburse the Bank on demand for all reasonable out-of-pocket expenses incurred by Bank relating to this Amendment, including without limitation reasonable attorneys' fees and legal expenses incurred for the preparation of this Amendment.

3. **Authorization.** Borrower represents and warrants that the execution, delivery and performance of this Amendment and the documents referenced herein are within the corporate powers of Borrower and have been duly authorized by all necessary corporate action.

4. **Consent.** Each Guarantor consents to the foregoing amendments to the Security Agreement and hereby reaffirms his obligations to the Bank under the terms of his Guaranty and any other agreements or documents related thereto, which as of the date hereof are not subject to any counterclaim, defense or setoff.


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5. **Counterparts.** This Amendment may be executed in any number of counterparts, and by facsimile or electronic (pdf) transmission, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

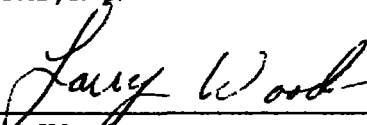
[Signature Page Follows on Next Page]

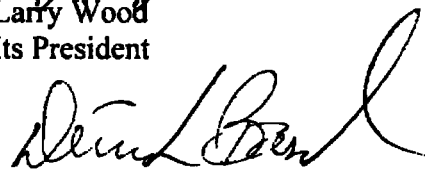
IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of
October __, 2011.

BNC NATIONAL BANK

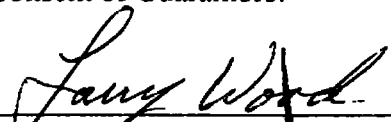
By: 
Chad Scott
Its Senior Vice President

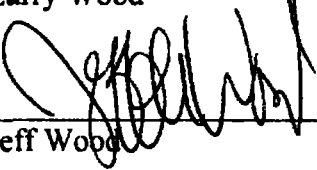
**DAKOTA, MISSOURI VALLEY, & WESTERN
RAILROAD, INC.**

By: 
Larry Wood
Its President

By: 
Derrick Bosch
Its Chief Financial Officer

Consent of Guarantors:


Larry Wood


Jeff Wood



Dennis Ming

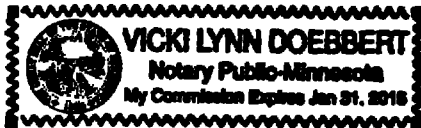
EXHIBIT A**ROLLING STOCK COLLATERAL**

Item	Year	Model/Description	DMVW Road Number
1.	1964	EMD Model GP-35 1750 HP Diesel Electric Locomotive	DMVW 324
2.	1965	EMD Model GP-35 2500 HP Diesel Electric Locomotive	DMVW 862
3.	1963	Model GP20 Locomotive	DMVW 2049
4.	1963	Model GP20 Locomotive	DMVW 3043
5.	1971	Model GP-40 Locomotive	DMVW 9406
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12.	1969	EMD SD 45 Diesel Electric Locomotive	DMVW 7505
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21.		EMD SD40-3	DMVW 3132
22.		EMD SD40-3	DMVW 3136
23.		EMD SD40-3	DMVW 3149
24.		EMD SD40-3	DMVW 3134

STATE OF MINNESOTA

COUNTY OF HENNEPIN. ss:

In accordance with 49 CFR 1177.3(b)(1), on this 20th day of September, 2012, I hereby certify that I compared the attached copy of the MEMORANDUM OF SECURITY AGREEMENT with the original MEMORANDUM OF SECURITY AGREEMENT and I have found the copy to be complete and identical in all respects to the original document.




Vicki L. Doeberbert, Notary Public